

Agrarian reform betrays the rural poor

The rural poor have not improved their lot since the birth of democracy in South Africa. **Mazibuko Jara** gives a litany of reasons why this has not happened and views government's current lack of agrarian policy and land reform as a substantial failure.

The new Minister of Agriculture and Land Affairs, Lulu Xingwana, is considered a radical who will accelerate land reform and restructure agriculture for the benefit of landless people and emerging farmers. This is misleading, particularly if her policy pronouncements and the reform and agricultural policy framework are viewed from the perspective of agrarian reform.

CRISIS OF NEO-LIBERALISM IN AGRICULTURE

South African agricultural policy has set out to protect the interests of the dominant class in agriculture in a way that undermines the agrarian reform required to

overcome underdevelopment.

The agricultural policy framework consists of liberalised markets, deregulation, removal of subsidies and price supports, export promotion, the abolition of tax concessions favouring the agricultural sector, less budgetary expenditure on the sector, trade policy reform, tariffs on farm commodities, the liberalisation of agricultural trade including free trade agreements, and the continued provision of research and technical services to commercial farmers.

Extension services in the former homelands have become weaker, while industrial agriculture's use of private professional services for marketing, extension and research has grown significantly.

Liberalisation and deregulation have led to the creation of the South African Futures Exchange (Safex), the JSE for agricultural commodities, which effectively subordinates food security and agrarian reform to speculation.

Reform under the banner of liberalisation has not reversed inherited inequalities or given the previously disadvantaged greater access to the agricultural sector. Many people have backed the withdrawal of special support for white farmers. But the state's retreat and market deregulation means that the large-scale, capital-intensive and often monopolistic players dominating the sector have survived and prospered.

The key policy instruments of state intervention have been denied to the black majority. This results in a socially inefficient model of agriculture that destroys jobs and livelihoods and denies land for production or housing to rural people.

Agricultural policy favours large farmers and commercial farms, while neglecting peasant growers and small family farms. Privatised extension services favour large farmers, while research policies favour export crops and 'superior' grains, neglecting 'inferior' grains and poor people's crops. The Agricultural Research Council is not geared to agrarian reform, and water distribution policies favour large commercial farms.

Credit policies also discriminate in favour of commercial farmers. The Land Bank continues to be off-limits to small farmers. And the Agricultural Credit Scheme, with capital of R1 billion, and the Comprehensive Agricultural Support Programme, with capital of R750 million, are still too new to assess. In addition, policies discourage organisations of the poor, often viewing them as subversive.

Agriculture has also faced pressure from intensified integration into global markets, exposing it to more competition, risk and structural change. While conditions for skilled, core and permanent farmworkers may have improved, many farmers responded



to changed conditions by restructuring and shedding labour. There is evidence of a shift away from the use of permanent workers towards temporary, seasonal and sub-contracted labour, largely female. 'Outsiders' (African workers from the Eastern Cape) have increased in the Western Cape, causing friction with coloured 'insiders'.

In essence, white agriculture in the province is passing risks and costs on to black workers, while feminising cheap labour and dividing workers racially.

The Strategic Plan for South African Agriculture of 2001 notes that at first, many farmers were badly affected by trade liberalisation and so they quit farming. However, many commercial farmers have adapted and are increasingly globally competitive. The effect has been increased concentration in the sector and a focus on export markets at the expense of food

security and agrarian reform. In a far more competitive and open economy, small farmers face huge obstacles.

The thrust of agricultural policy explains why government has uncritically accepted genetically modified (GMOs) crops. For aspiring black capitalist farmers, GMOs offer international competitiveness and foreign exchange earnings. But GMOs also magnify the bias towards large farmers and their profitability at the expense of small farmers. Concerns for the maintenance of agro-biodiversity and its control by local people is also overridden.

Another food security problem ignored by the current macro-economic and agricultural policies is the rand exchange rate. The collapse in the rand's value between November and December 2001 caused domestic food price rises to go up by 30% by February the following year. There is no doubt that collusion and



concentrated ownership in agri-business, the lack of price controls and capitalist markets affect food prices and access to food. Government responded to the 2002/3 food price hikes by providing income support and food to poor households, but these did not tackle the problems that caused the price increases in the first place.

NO RURAL DEVELOPMENT STRATEGY

Despite the existence of an Integrated and Sustainable Rural Development Programme, South

Africa has no rural development strategy. The strategy was drawn up within the neo-liberal Gear (Growth, Employment & Redistribution Strategy) framework, which reduced state involvement and facilitated private investment.

Despite some achievements in redirecting budgets and public investment and improving inter-governmental coordination, the rural development strategy is silent on the need for accelerated land redistribution and agrarian reform. By failing to confront redistribution, it freezes people into an apartheid legacy.

In addition, the Sustainable Rural Development Programme assumes that "socially cohesive and stable rural communities with viable institutions and sustainable communities" will be built without transformation of the local 'first economy' in rural areas. The 'first economy' continues to be dominated by commercial agriculture, agri-tourism and agri-business.

Another major intervention in rural areas has been the Expanded Public Works Programme. Yet there is little focus on rural job creation projects around agricultural infrastructure such as dipping

tanks, irrigation pipes, and small processing plants. Such facilities are critical for land reform beneficiaries and poor farmers. The programme is also blind to agrarian reform and to the lack of post-settlement support for land reform beneficiaries.

RESULTS OF MARKET-BASED LAND REFORM

The key features of the South Africa's market-based land reform are:

- redistribution via the provision of state grants
- state-facilitated sales between willing sellers and willing buyers
- demand-led land acquisition, which depends on land claimants taking the initiative
- an emphasis on the market value of land, and reliance on untransformed land markets
- a lack of emphasis on expropriation of land
- a weakening of the state's role in planning for land acquisition, resettlement and support services
- limited budgets for land reform and
- protection of large commercial farmers in agricultural and trade policy.

The approach is a neo-liberal one, marked by the paramount role of the private sector, the deregulation of national and international markets, and a much-reduced state role in regulation and production. Central to the approach is the willing-buyer, willing-seller principle. The government is reduced to providing grants or credit to allow disadvantaged buyers to enter the land market.

Responsibility for the Development Programme's success is passed to beneficiaries and the market. Land reform is thus depoliticised.

Programme failure is no longer a government policy failure, but indicates a lack of 'entrepreneurship' among the poor. It is assumed that the existing land market can deal effectively with substantial land transfer, and that the intended beneficiaries, even with state help, can engage effectively in the market.

Market-based land reform cannot challenge existing land ownership or the equitable distribution of profits. Instead, it reproduces the 'dualism' of apartheid agriculture: a 'productive' core of mostly white

TABLE 1: LAND DISTRIBUTION IN SOUTH AFRICA – FEB 2004

Former "homelands"	17,112,800 ha	13,9% of total
Former "white" SA	105,267,300 ha	86,1% of total
Commercial agricultural	86,186,026 ha	70,4% of total
30% of commercial agricultural land	25,855,808 ha	21,1% of total
Land transferred since 1994 agricultural land	2,494,000 ha	2,9% of commercial
Required rate to meet target of target of 30% by 2015	2,123,840 ha per year	
Average rate to date (1995-2003)	250,000 ha per year	
Number of years to meet 30% target at current rate	94 years	

Source: Mayson, 2004a

commercial farmers, and a large fringe of small black farmers, whose main function is to take the pressure off urban unemployment.

Willing sellers and willing buyers seldom occur in a block of land. This leads to a patchwork of isolated land reform farms encircled by hostile white commercial farmers. The rural poor cannot hope to become willing buyers of an existing farm unless many families combine. It also makes farming extremely costly, if not impossible, for government to provide new farmers with infrastructure, inputs and marketing.

In summary the main problems of the land reform programme are a weak understanding of the agrarian question and poor conceptualisation, from the original Reconstruction and Development Programme document to later government policies. Market-based land reform empowers existing landowners and has not ended capitalist accumulation using cheap black labour and the unpaid labour of rural women. The result has been increasingly feminised cheap black labour.

Land and agricultural reform is not given priority in macro-economic policy and budgetary allocations. Agricultural policy has simply sustained the status quo and undermined land reform. The only restructuring of capitalist agriculture has come as a result of trade liberalisation and globalisation of the agricultural market. Analysts have argued that land reform budgets have been too small to deliver land on a significant scale. Table 1 on page 42 below shows the difficulties government will have meeting its target of redistributing 30% of the land by 2015 if it continues redistribution at the current rate.

DIFFERENCE BETWEEN LAND AND AGRARIAN REFORM

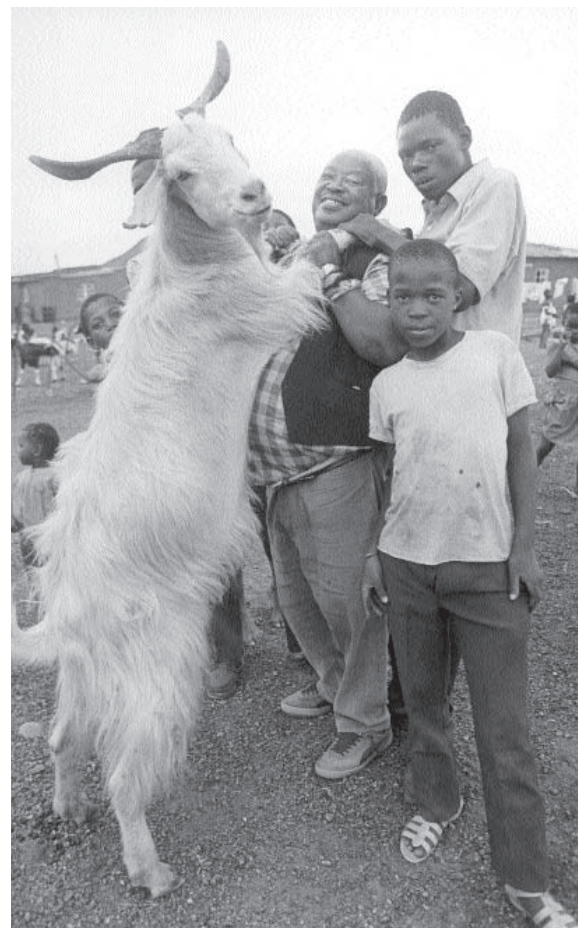
The current land reform programme and agricultural policies highlight the government's unwillingness to change the structure of agriculture. This has resulted in white agri-capital's drive to survive and accumulate, in aspirant black capital's drive to accumulate in the same way and the weakness of popular organisation pressing for agrarian reform.

The terms 'land reform' and 'agrarian reform' are often used interchangeably, despite being separate concepts. Land reform is generally taken to mean the redistribution of property or rights in land for the benefit of the landless. Acquisition of land is a necessary but not sufficient condition for successful land reform.

Where land redistribution has succeeded, and where significant changes in land tenure institutions have resulted, the restructuring of other institutions is needed to serve beneficiaries. This may include the restructuring of services such as credit, marketing, research, processing and storage, irrigation, farmer organisation, reform of commodity markets, investment in rural infrastructure, direct support to producers, and extension services to facilitate the productive use of reallocated land.

'Agrarian reform' sometimes refers to land redistribution which includes the restructuring of agricultural institutions. In other words, it embraces both improvements in land tenure and a wider transformation of the agricultural economy, and is part of wider rural development.

But agrarian reform is not just technical. It is also about creating



new social and political relations in the countryside. For example, challenging the subordinate position of women, the power of commercial farmers and their social networks, and the power of a rural traditional elite, as well as enhancing democracy.

South Africa does not have a programme for complete structural transformation of rural space in all its social, political, economic, gender, property and spatial dimensions. Instead, a market-based land reform programme has delivered less than 5% of agricultural land to black people since 1994. In addition, post-apartheid agricultural policy has benefitted large-scale commercial farmers. Simply put, the land reform and agricultural policy framework are failing to overcome underdevelopment.

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